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FM AMCONSUL ISTANBUL  
TO RUEHC/SECSTATE WASHDC PRIORITY 7222  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

UNCLAS SECTION 01 OF 02 ISTANBUL 000565

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E.O. 12958: N/A  
TAGS: [PREL](#) [ECIN](#) [ENRG](#) [TU](#) [RU](#) [EU](#)  
SUBJECT: BSEC 15TH ANNIVERSARY SUMMIT: A PROTOCOL TRIUMPH

¶1. (SBU) Summary: The BSEC 15th anniversary summit held in Istanbul on June 25 proved that Turkey could deliver a high level protocol event, including participation by eleven of the twelve BSEC member heads of state or government. Armenia, the only hold out, was represented by Foreign Minister Oskanian. The bulk of the formal interventions consisted of laudatory statements on BSEC's efforts to renew itself as an institution, heralded transport projects that aim to improve road and sea links in the greater Black Sea region, applauded the decision to grant observer status to the EU, and described the major political and economic changes the region has undergone since the organization was founded in 1992. Political strife - in the form of the conflict in Nagorno-Karabakh as well as over the future status of Kosovo - was prominent in several Leaders' remarks. However the delegations appeared to interact cordially with one another and a number of bilateral meetings, including between Turkish FM Gul and Armenian FM Oskanian, took place on the margins of the summit (septel). End Summary.

¶2. (SBU) On June 25, Ambassador Wilson represented the USG as an observer at the 15th anniversary summit of the organization for Black Sea Economic Cooperation (BSEC). Remarks by member states and observers highlighted BSEC's efforts to reform and restructure the institution to focus more on projects that would demonstrate the usefulness of BSEC. Speakers highlighted two major transport projects - the Black Sea Ring Highway and the Motorways of the Sea - that will support economic integration in the region. The BSEC Foreign Ministers approved the EU's application for observer status and the BSEC and EU troikas met on the margins of the summit to discuss next steps.

¶3. (SBU) The Ambassador's remarks to the Council of Foreign Ministers stressed the US role in BSEC as an interested observer in an organization that has a key regional role to play. The Ambassador highlighted US efforts to support BSEC goals and institutions including: USAID's Black Sea Regional Electricity Transmission Planning Project; a joint BSEC - USG environmental protection symposium planned for September 2007; our \$10 million contribution to the German Marshall Fund's Black Sea Trust; and exercises and training with partners in the region on emergency planning, port security and trade-friendly maritime standards.

¶4. (SBU) Political conflicts were a subject of discussion first at the Council of Foreign Ministers and again at the Summit. Albania and Serbia sparred over the final status of Kosovo. Albanian PM Berisha argued strongly for restoring Kosovo's status in favor of independence now, contended that due to its unique history Kosovo was a sui generis situation and Serbian President Tadic argued to the contrary, debunked the idea that Kosovo won't set a precedent and said that a change of borders in Serbia had the potential to ignite frozen conflicts and insurgencies that nearly all of the BSEC member states face or have faced in the recent past. Armenia and Azerbaijan similarly argued over the situation in

Nagorno-Karabakh. Azeri President Aliyev argued that Armenian "military aggression and ethnic cleansing" in Nagorno-Karabakh must be resolved, but also pointed to compromise and negotiation as the best reason for doing so. Armenian FM Oskanian held firm noting that the Armenians of Nagorno-Karabakh had successfully defending themselves against attacks from the Azeri government. One of the most interesting exchanges occurred when German Minister of State Erler out maneuvered European Commission Vice President Verheugen and took the podium to deliver remarks on the behalf of the EU. Verheugen's staff convinced the Turkish hosts to give equal time to Verheugen, who delivered remarks strikingly similar to Erler's.

15. (SBU) Russian President Putin was and acted like the Summit's star during his approximately six hours in Istanbul. His Summit intervention was suitably bland. Russia's real work took place elsewhere -- including in South Stream and other energy tactics before the Summit and during it with the Greeks. Putin apparently held bilaterals with most or all of his counterparts except Georgian President Saakashvili whom, one Russian diplomat reported, Putin has seen recently enough that no new meeting was necessary. FM Lavrov distinguished himself by talking on the phone and/or holding outside meetings throughout the BSEC foreign minister's meeting. His interaction with Georgian FM Bezhuashvili was particularly frequent -- and cordial.

16. (SBU) Comment. The BSEC 15th anniversary summit was a protocol tour de force for Turkey. Although very little of substance occurred at the summit meeting, simply getting these personalities into the same room at the same time was a significant accomplishment in and of itself. BSEC has evolved as an institution since its inception 15 years ago. However, much work remains to be done if BSEC is to meet its

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stated goal of becoming efficient and effective. End  
Comment.  
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